

Schedule A columns (b), (c), (e), and (f) (if a transaction with a disqualified person, using the 25 percent tax rate), or (b), (c), (e), and (g) (if a transaction with an organization manager, using the 10 percent tax rate) to provide other information requested about the transaction.

IV. Reporting Requirements for § 4958 Excise Taxes

Section 1312(a) of TBOR2 amends § 6033(b) to require § 501(c)(3) organizations to report the amounts of the taxes paid under § 4958 with respect to excess benefit transactions involving the organization, as well as any other information the Secretary may require concerning those transactions. Section 6033(f) is also amended to impose the same filing requirements on § 501(c)(4) organizations. These amendments only apply to returns for taxable years beginning after July 30, 1996. Accordingly, affected organizations do not have to include information on taxes paid under § 4958, or any other information that may be required with respect to excess benefit transactions, on their returns for taxable years beginning before July 31, 1996.

V. Comments on Future Guidance Invited

The Service invites comments on the amendments made by §§ 1311(a) and 1312 of TBOR2 (new § 4958 and reporting requirements related to those excise taxes). The Service will consider these comments in drafting future guidance. In order to issue this guidance promptly, the Service requests that written comments be submitted by December 12, 1996. Send submissions to: CC:DOM:CORP:R (Notice 96-46), Room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (Notice 96-46), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. Alternatively, taxpayers may submit comments electronically via the Internet directly to the IRS internet site at http://www.irs.ustreas.gov/prod/tax_regs/comments.html.

The principal author of this notice is Phyllis Haney of the Office of Associate Chief Counsel (Employee Benefits and Exempt Organizations). For further in-

formation regarding this notice contact Ms. Haney on (202) 622-4290 (not a toll-free call).

Private Inurement Expressly Prohibited for Section 501(c)(4) Organizations

Notice 96-47

This notice summarizes an important aspect of Taxpayer Bill of Rights 2 related to the amendment to § 501(c)(4) of the Internal Revenue Code. Taxpayer Bill of Rights 2, Pub. L. No. 104-168, 110 Stat. 1452, (TBOR2) was enacted July 30, 1996. See Notice 96-46, page 7, this Bulletin, for aspects of TBOR2 related to excise taxes on excess benefit transactions engaged in by § 501(c)(4) organizations and § 501(c)(3) organizations (except private foundations), and Notice 96-48, page 9, this Bulletin, for disclosure requirements for, and increases in certain penalties on, exempt organizations generally.

Private Inurement Expressly Prohibited for § 501(c)(4) Organizations

TBOR2 amends § 501(c)(4) to expressly prohibit inurement of any part of the net earnings of an entity otherwise described in that section to the benefit of any private shareholder or individual. That amendment applies to inurement occurring on or after September 14, 1995. The amendment does not apply, however, to inurement occurring prior to January 1, 1997, if that inurement results from a written contract that was binding on September 13, 1995, and continued in force through the time that the inurement occurred.

Comments on Future Guidance Invited

The Service invites comments on the amendments made by § 1311(b) of TBOR2 (the amendment to § 501(c)(4)). The Service will consider these comments in drafting future guidance. In order to issue this guidance promptly, the Service requests that written comments be submitted by December 12, 1996. Send submissions to: CC:DOM:CORP:R (Notice 96-47), Room 5226, Internal Revenue Service, POB 7604, Ben Franklin Station, Washington, DC 20044. Submissions may be hand-delivered between the hours of 8 a.m. and 5 p.m. to: CC:DOM:CORP:R (Notice 96-47), Courier's Desk, Internal Revenue Service, 1111 Constitution Avenue, NW, Washington, DC. Alterna-

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Tax-Exempt Organization Information Returns—Requirement to Provide Copies to the Public and Increases in Certain Penalties

Notice 96-48

This notice summarizes certain aspects of Taxpayer Bill of Rights 2 related to (1) inspection requirements for exempt organizations and (2) increases in certain penalties on exempt organizations. Taxpayer Bill of Rights 2, Pub. L. No. 104-168, 110 Stat. 1452, (TBOR2) was enacted July 30, 1996.

This notice also describes a provision of the Small Business Job Protection Act of 1996, Pub. L. No. 104-188, 110 Stat. 1755, enacted August 20, 1996, that increases certain penalties on exempt organizations for failing to satisfy inspection requirements.

This notice also solicits comments to be considered in drafting future guidance. See Notice 96-46, page 7, this Bulletin, for aspects of TBOR2 related to excise taxes on excess benefit transactions engaged in by certain tax-exempt organizations, and Notice 96-47, page 8, this Bulletin, for aspects of TBOR2 related to the express prohibition of private inurement for § 501(c)(4) organizations.

I. Inspection Requirements Related to Annual Information Returns

Section 1313(a) of TBOR2 amends § 6104(e) with regard to the manner in which an exempt organization, other than a private foundation, must allow inspection by the public of its annual information returns and its application for exemption. Section 6104(e), as amended, provides that if a request is made, in person or in writing, for a copy of certain documents, an organization must provide the copies to the requester without charge, other than a reasonable fee for any reproduction and mailing costs. The documents that may be requested under § 6104(e) are (1)